APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/757,070	01/08/2001	E. Weston Seaman	FIS9-2000-0229US1	6594

7590   01/11/2007

Philmore H. Colburn II
CANTOR COLBURN LLP
55 Griffin Road South
Bloomfield, CT 06002

EXAMINER
MITCHELL, KATHERINE W

ART UNIT	PAPER NUMBER
3677	

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	01/11/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

	Application No.	Applicant(s)
Office Action Summary	09/757,070	SEAMAN ET AL.
	Examiner	Art Unit	
	Katherine W. Mitchell	3677	

– The MAILING DATE of this communication appears on the cover sheet with the correspondence address –

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *12/11/2007*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *132-179* is/are pending in the application.

 4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *132-179* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

 a)☐ All b)☐ Some * c)☐ None of:

 1.☐ Certified copies of the priority documents have been received.

 2.☐ Certified copies of the priority documents have been received in Application No. _____.

 3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

 * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☐ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☒ Information Disclosure Statement(s) (PTO/SB/08) ✔
 Paper No(s)/Mail Date *6/22/2005*.

4)☒ Interview Summary (PTO-413)
 Paper No(s)/Mail Date. *1-9-2007*

5)☐ Notice of Informal Patent Application

6)☒ Other: *Examiner Affidavit*. ✔

DETAILED ACTION

Applicant's request for reconsideration of the finality of the rejection of the last

Office action is persuasive and, therefore, the finality of that action is withdrawn in order

to provide applicant with support for the Official Notice.

Information Disclosure Statement

1.   Applicant is correct that a Supplemental IDS was submitted previously, and

examiner apologizes for overlooking it due to a scanning file problem. It is being

initialed as considered.

Claim Rejections - 35 USC § 103

2.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

3.   Claims 132, 137-140, 142-144,156, and 161-164, and 166-168 are rejected

under 35 U.S.C. 103(a) as obvious over Harbert "Searching for .COM-ponents" in view

of Press Release "DesignWin Upgrade Tackles Key OEM Supply Chain Management

Issues", hereafter called DesignWin and Hartley-Urquhart, USP 6167385, hereafter

called HU.

Re claims 132 ,142-144 and 156 and 166-168: Harbert teaches a method of

managing a supply chain page 4 paragraph 5-7 and page 5 paragraph 7 – page 8

paragraph 12) within a multi-enterprise environment via a computer network, said multi-

enterprise environment including a manufacturing enterprise (ME) and at least one

supply chain entity (SCE), comprising reverse auctions where suppliers bid down the price to win contracts online (web sites). Harbert teaches in page 5 paragraph 8 that a contract is put out for a bid (bid request), which has a Bill of Material (BOM), that suppliers bid on the contract on the web (Digital Exchange online trading site page 4 last paragraph, Table on pages 2-4 describing various web trading/exchange sites), a winning bid/contractor is selected (obviously the point of procurement is to select a supplier to provide the parts) and the contract is awarded (generating an award notice). Since a contractor is selected as a "winning" contractor, inevitably the costs of providing said entity are compared to costs available to the manufacturing enterprise, as a winning bid is always at least partially determined by its cost relative to other possible providers. That the process is based on a company's Bill of Materials is specifically noted on page 4, last line of 1st paragraph under "Going for the big bucks" and page 5 paragraphs 7-8; since the BOM is the basis of the process, specific steps obviously relate to processing the BOM. A program running on a computer inherently requires a storage medium for the management code.

However, Harbert does not specifically teach tracking selected activities in a log. DesignWin teaches in paragraphs 1-5 on page 1 an electronic supply chain management system with Bills of Materials bid on in a reverse auction on the internet, with marketing cost analysis features (especially paragraph 4). DesignWin teaches that pricing trends and probable costs can be tracked and analyzed, this inherently the activities are in some type of log or record if they can be analyzed and tracked:

log¹
log (lôg, lŏg) *noun*

4. A record, as of the performance of a machine or the progress of an undertaking: *a computer log; a trip log.*[1]

It would have been obvious to one of ordinary skill in the art, having the teachings of Harbert and DesignWin before him at the time the invention was made, to modify Harbert as taught by DesignWin to include tracking selected activities in a log of DesignWin, in order to track selected data more efficiently and effectively for the buyer. One would have been motivated to make such a combination because lower costs and faster processing would have been obtained, as taught/suggested by DesignWin in page 1 paragraphs 2-4 and Harbert page 5 paragraph 7-8. Examiner notes that DesignWin specifically teaches that "knowing actual cost allows management to make better, more accurate plans which control costs and strengthen sales margins".(page 1, paragraph 4).

Harbert also does not specify that component prices paid by the manufacturing enterprise (ME) are compared to the prices paid by the supply chain entity (SCE) using the component on behalf of the ME, and that if the component price available to the SCE is greater than the price available to the ME, then the ME requests and obtains authorization for the SCE to buy the component at the lower price available to the ME.

HU teaches in col 2 lines 21-35 that in a supply chain environment, a supplier's (equivalent to the supply chain entity's) cost of funds (equivalent to a component cost) may be higher than the cost of funds available to the buyer (equivalent to the manufacturing enterprise), and that in order to provide the lower cost benefits to the

---

[1] *The American Heritage® Dictionary of the English Language, Third Edition* copyright © 1992 by Houghton Mifflin Company. Electronic version licensed from INSO Corporation; further reproduction.

buyer, funds are made available to the supplier at the buyer's lower cost. Col 5 lines 22-40 and throughout disclose the authorization and approval process. For the request authorization to work, inevitably it includes the part number and description, price, and volume required. The specifics of the contractual agreement and recordkeeping requirements would inevitably be in any authorization letter, and the approval notification is the affirmative response.

Thus it would have been obvious to one of ordinary skill in the art, having the teachings of Harbert and DesignWin and HU before him at the time the invention was made, to modify Harbert as modified by DesignWin further in view of HU to include allowing intermediate suppliers (SCE) to have access to the ME's lower cost of components. One would have been motivated to make such a combination because lower costs would have been obtained, as taught/suggested by HU col 2 lines 31-35.

Re claims 137 and 161: The method of claims 132 and 156 respectively, wherein said processing said bill of material file includes automatically transmitting notifications to an administrative entity of said manufacturing enterprise via said network. Harbert implicitly teaches automatically transmitting notifications to an administrative entity of said manufacturing enterprise via said network, in that the items are purchased which would require administrative review of some sort. However, DesignWin explicitly teaches that the sourcing system includes notifying commodity managers to secure material in page 1 paragraph 5.

Therefore, it would have been obvious to one of ordinary skill in the art, having the combined teachings of Harbert and DesignWin and HU before him at the time the invention was made, to further modify Harbert as taught by DesignWin to explicitly include notifying an administrative entity, such as a purchasing agent or commodity mangers, in order to ensure the data was provided to a decision maker with authority for requisitions. One would have been motivated to make such a combination because faster processing would have been obtained, as taught/suggested by DesignWin in page 1 paragraphs 2-4 and Harbert page 5 paragraph 7-8.

Re claims 138 and 162: Applicant has taught that extranets are known networks in the background of the invention:

> *Further, the Internet and related intranet and extranet technologies offer a relatively low cost of entry, making them practical for use by the largest PC manufacturer as well as the smallest custom-integrated circuit supplier. To alleviate related web-based security issues, companies have created two separate networks: an intranet that connects the internal processes to the applications and data they need and an extranet that connects external processes to the applications and data they need. These companies then add firewalls or security devices to protect against unauthorized access to the internal network and to isolate unauthorized Internet access from the extranet.*

It would have been obvious to one of ordinary skill in the art, having the teachings of Harbert and DesignWin and HU before him at the time the invention was made, to further modify Harbert as taught by common knowledge in the art to include an extranet network, as known in the art as stated in the background of the invention.

Re claims 139 and 163: Analyzing a quote inherently includes comparing the bid to the information in the requisition.

Re claims 140 and 164: Harbert teaches in page 5 paragraphs 7-8 that OEMs, contract manufacturers, and suppliers utilize the system. Contract manufacturers are by definition suppliers to OEMs, and thus inherently an OEM would consider them a supply chain entity when using the system. However, DesignWin explicitly teaches in page 1 paragraph 6 that OEMs use DesignWin to obtain quotes from contract manufacturers. It would have been obvious to one of ordinary skill in the art, having the combined teachings of Harbert and DesignWin and HU before him at the time the invention was made, to further modify Harbert as taught by DesignWin to explicitly include having contract manufacturers use the system in the role of supply entities to OEMs, in order to ensure the system's customers reflect the supply chain. One would have been motivated to make such a combination because contract manufacturers are the suppliers to OEMs, as taught/suggested by DesignWin in page 1 paragraphs 1-6.

4.   Claims 132, 137-140, 142-144,156, and 161-164, and 166-168 are rejected under 35 U.S.C. 103(a) as obvious over Harbert "Searching for .COM-ponents" in view of Press Release "DesignWin Upgrade Tackles Key OEM Supply Chain Management Issues", hereafter called DesignWin and examiner's first hand knowledge as documented by Affidavit.

Re claims 132 ,142-144 and 156 and 166-168: Harbert teaches a method of managing a supply chain page 4 paragraph 5-7 and page 5 paragraph 7 – page 8 paragraph 12) within a multi-enterprise environment via a computer network, said multi-enterprise environment including a manufacturing enterprise (ME) and at least one supply chain entity (SCE), comprising reverse auctions where suppliers bid down the

price to win contracts online (web sites). Harbert teaches in page 5 paragraph 8 that a

contract is put out for a bid (bid request), which has a Bill of Material (BOM), that

suppliers bid on the contract on the web (Digital Exchange online trading site page 4

last paragraph, Table on pages 2-4 describing various web trading/exchange sites), a

winning bid/contractor is selected (obviously the point of procurement is to select a

supplier to provide the parts) and the contract is awarded (generating an award notice).

Since a contractor is selected as a "winning" contractor, inevitably the costs of providing

said entity are compared to costs available to the manufacturing enterprise, as a

winning bid is always at least partially determined by its cost relative to other possible

providers. That the process is based on a company's Bill of Materials is specifically

noted on page 4, last line of 1st paragraph under "Going for the big bucks" and page 5

paragraphs 7-8; since the BOM is the basis of the process, specific steps obviously

relate to processing the BOM. A program running on a computer inherently requires a

storage medium for the management code.

However, Harbert does not specifically teach tracking selected activities in a log.

DesignWin teaches in paragraphs 1-5 on page 1 an electronic supply chain

management system with Bills of Materials bid on in a reverse auction on the internet,

with marketing cost analysis features (especially paragraph 4). DesignWin teaches that

pricing trends and probable costs can be tracked and analyzed, this inherently the

activities are in some type of log or record if they can be analyzed and tracked:

It would have been obvious to one of ordinary skill in the art, having the

teachings of Harbert and DesignWin before him at the time the invention was made, to

modify Harbert as taught by DesignWin to include tracking selected activities in a log of

DesignWin, in order to track selected data more efficiently and effectively for the buyer.

One would have been motivated to make such a combination because lower costs and

faster processing would have been obtained, as taught/suggested by DesignWin in

page 1 paragraphs 2-4 and Harbert page 5 paragraph 7-8. Examiner notes that

DesignWin specifically teaches that "knowing actual cost allows management to make

better, more accurate plans which control costs and strengthen sales margins".(page 1,

paragraph 4).

Harbert also does not specify that component prices paid by the manufacturing

enterprise (ME) are compared to the prices paid by the supply chain entity (SCE) using

the component on behalf of the ME, and that if the component price available to the

SCE is greater than the price available to the ME, then the ME requests and obtains

authorization for the SCE to buy the component at the lower price available to the ME.

Examiner noted previously by Official Notice that this is a known purchasing

arrangement, and applicant has requested documentation of this Official Notice.

Examiner is providing an affidavit swearing that prior to 1995, she worked in an

organization where intermediate suppliers were authorized to purchase components as

the lower prices negotiated by her company when the intermediate suppliers used the

components as part of products for her company. Specifically, her company, hereafter

called "C", used large numbers of valves, pipe fittings and piping, and negotiated

extremely favorable prices due to the large volume purchased. If "C" needed a supplier,

hereafter called "S" to assemble modules using valves and piping, the supplier "S"

would be told to purchase the valves and piping from valve/pipe seller, hereafter called

"V", and "C" would send "V" a letter or purchase order or supplemental purchase order

authorizing supplier "S" to purchase valves and piping at "C"'s discounted prices. In the

case of examiner's first-hand knowledge per the Affidavit, the request authorization

included the part number and description, price, and volume required. The specifics of

the contractual agreement and recordkeeping requirements would inevitably be in any

authorization letter, and the approval notification was the affirmative response.

It would have been obvious to one of ordinary skill in the art, having the

combined teachings of Harbert and DesignWin and the common knowledge

documented by examiner's Affidavit before him at the time the invention was made, to

further modify Harbert and DesignWin in view of common knowledge in the art as

evidenced by examiner's Affidavit to include allowing intermediate suppliers (SCE) to

have access to the ME's lower cost of components. One would have been motivated to

make such a combination because lower costs would have been obtained, which was

the motivatation in examiner's experience.

Re claims 137 and 161: The method of claims 132 and 156 respectively, wherein

said processing said bill of material file includes automatically transmitting notifications

to an administrative entity of said manufacturing enterprise via said network. Harbert

implicitly teaches automatically transmitting notifications to an administrative entity of

said manufacturing enterprise via said network, in that the items are purchased which

would require administrative review of some sort. However, DesignWin explicitly

teaches that the sourcing system includes notifying commodity managers to secure

material in page 1 paragraph 5.

Therefore, it would have been obvious to one of ordinary skill in the art, having

the combined teachings of Harbert and DesignWin and the common knowledge

documented by examiner's Affidavit before him at the time the invention was made, to

further modify Harbert as taught by DesignWin to explicitly include notifying an

administrative entity, such as a purchasing agent or commodity mangers, in order to

ensure the data was provided to a decision maker with authority for requisitions. One

would have been motivated to make such a combination because faster processing

would have been obtained, as taught/suggested by DesignWin in page 1 paragraphs 2-

4 and Harbert page 5 paragraph 7-8.

Re claims 138 and 162: Applicant has taught that extranets are known

networks in the background of the invention:

> Further, the Internet and related intranet and extranet technologies offer a
> relatively low cost of entry, making them practical for use by the largest PC
> manufacturer as well as the smallest custom-integrated circuit supplier. To
> alleviate related web-based security issues, companies have created two
> separate networks: an intranet that connects the internal processes to the
> applications and data they need and an extranet that connects external
> processes to the applications and data they need. These companies then add
> firewalls or security devices to protect against unauthorized access to the internal
> network and to isolate unauthorized Internet access from the extranet.

It would have been obvious to one of ordinary skill in the art, having the combined

teachings of Harbert and DesignWin and the common knowledge documented by

examiner's Affidavit before him at the time the invention was made, to further modify

Harbert as taught by common knowledge in the art to include an extranet network, as known in the art as stated in the background of the invention.

Re claims 139 and 163: Analyzing a quote inherently includes comparing the bid to the information in the requisition.

Re claims 140 and 164: Harbert teaches in page 5 paragraphs 7-8 that OEMs, contract manufacturers, and suppliers utilize the system. Contract manufacturers are by definition suppliers to OEMs, and thus inherently an OEM would consider them a supply chain entity when using the system. However, DesignWin explicitly teaches in page 1 paragraph 6 that OEMs use DesignWin to obtain quotes from contract manufacturers. It would have been obvious to one of ordinary skill in the art, having the combined teachings of Harbert and DesignWin and the common knowledge documented by examiner's Affidavit before him at the time the invention was made, to further modify Harbert as taught by DesignWin to explicitly include having contract manufacturers use the system in the role of supply entities to OEMs, in order to ensure the system's customers reflect the supply chain. One would have been motivated to make such a combination because contract manufacturers are the suppliers to OEMs, as taught/suggested by DesignWin in page 1 paragraphs 1-6.

5.   Claims 133-136 and 141 and 157-160 and 165 are rejected under 35 U.S.C. 103(a) as obvious Harbert in view of DesignWin and either HU or the common knowledge documented by examiner's Affidavit as applied above, and further in view of Johnson et al. USP 5712985.

Re claims 133,136, 141and 157,160, 165: Harbert in view of DesignWin and either HU or the common knowledge documented by examiner's Affidavit as applied to claim 132 and 156 respectively above teach all the elements except specifically processing said bill of material file including mapping items contained in said bill of material file from said manufacturing enterprise with items provided by external sources, including a database, via said network. While Harbert page 5 paragraph 11 teaches that the components are stored on a database, Harbert is not specific that the database is external (but obviously mapped) to the computer network.

Johnson teaches external databases (40/50) mapped to a requisition and inventory management system (10/20) in col 3 lines 4- col 4 line 44 and Fig. 1. Note that Johnson col 5 lines 7-20 specifically teaches that host database 20 on host computer 10 and local database 50 on local computer 40 are modified/updated in the same manner, using distributed transaction processing to insure that the data in respective databases are in agreement prior to execution of any transaction in the system. Agreement is only required if items in both databases are mapped in some way. When Harbert in view of DesignWin and either HU or the common knowledge documented by examiner's Affidavit were modified to include mapping, the mapping would inevitably relate relevant items, such as component information to at least one commodity. Col 10 line 39 – col 11 line 8 detail that local computer 40 and local database 50 have data shared with the host computer 10 (col 10 lines 55063), and specific data communication is again taught in col 9 lines 58-65 and col 12 lines 17-67 and Figs 2A and 2B.

Although examiner considers that Johnson's local database 50 and host database 20 include an external source including a database of a manufacturing enterprise, examiner notes that It has been held that to be entitled to weight in method claims, the recited structure limitations therein must affect the method in a manipulative sense, and not to amount to the mere claiming of a use of a particular structure. *Ex parte Pfeiffer*, 1962 C.D. 408 (1961), and thus the type of external source is not considered a patentable distinction.

Therefore, it would have been obvious to one of ordinary skill in the art, having the combined teachings of Harbert in view of DesignWin and either HU or the common knowledge documented by examiner's Affidavit and Johnson before him at the time the invention was made, to further modify Harbert in view of DesignWin and either HU or the common knowledge documented by examiner's Affidavit as taught by Johnson to include external sources of materials and parts that can map to the procurement system, in order to have parts information available locally "in-house" for technical information, inventory, and other standard manufacturing tasks, or even suppliers databases to manufacturer, while allowing it to be mapped to the requisition system to avoid duplication of efforts and ensure that the systems agree. One would have been motivated to make such a combination because lower costs and faster processing would have been obtained, as taught/suggested by Johnson col 1 lines 24-50, and Johnson teaches in col 1 lines that both the customer and supplier (local and host) need access to real time data to manage Just in Time inventory, a widely used and cost-effective inventory management system.

Re claims 134-135 and 158-159: Johnson teaches in Fig 3 that items contained

in said bill of material file, and inherently in the external source since they are mapped,

include: at least one component number; at least one component name; at least one

component description; at least one component price; and at least one component

availability. It would have been obvious to one of ordinary skill in the art, having the

teachings of Harbert in view of DesignWin and either HU or the common knowledge

documented by examiner's Affidavit and Johnson before him at the time the invention

was made, to further modify Harbert in view of DesignWin and either HU or the common

knowledge documented by examiner's Affidavit as taught by Johnson to include

common identifying parameters in the bill of material, in order to ensure that the material

was the part, cost and availability desired. One would have been motivated to make

such a combination because the quotes must be based on the same items to be

accurately compared and costed.

6.   Claims 145-155 and 169-179 are rejected under 35 U.S.C. 103(a) as obvious

over Harbert in view of DesignWin and the common knowledge documented by

examiner's Affidavit and further in view of Johnson et al. USP 5712985.

Re claims 145, 169, and 152-155, 176-179: Harbert teaches a method of

managing a supply chain page 4 paragraph 5-7 and page 5 paragraph 7 – page 8

paragraph 12) within a multi-enterprise environment via a computer network, said multi-

enterprise environment including a manufacturing enterprise and at least one supply

chain entity, comprising reverse auctions where suppliers bid down the price to win

contracts online (web sites). Harbert teaches in page 5 paragraph 8 that a contract is

put out for a bid (bid request), which has a Bill of Material (BOM), that suppliers bid on

the contract on the web (Digital Exchange online trading site page 4 last paragraph,

Table on pages 2-4 describing various web trading/exchange sites), a winning

bid/contractor is selected (obviously the point of procurement is to select a supplier to

provide the parts) and the contract is awarded (generating an award notice). Since a

contractor is selected as a "winning" contractor, inevitably the costs of providing items to

said entity are compared to costs available to the manufacturing enterprise, as a

winning bid is always at least partially determined by its cost relative to other possible

providers. That the process is based on a company's Bill of Materials is specifically

noted on page 4, last line of 1st paragraph under "Going for the big bucks" and page 5

paragraphs 7-8; since the BOM is the basis of the process, specific steps obviously

relate to processing the BOM. A program running on a computer inherently requires a

storage medium for the management code.

However, Harbert does not specifically teach tracking selected activities in a log;

and Harbert does not address associating business attributes with physical attributes of

the components in the BOM.

DesignWin teaches in paragraphs 1-5 on page 1 an electronic supply chain

management system with Bills of Materials bid on in a reverse auction on the internet.

DesignWin teaches that pricing trends and probable costs can be tracked and analyzed,

thus inevitably the activities are in some type of log or record if they can be analyzed

and tracked:

Harbert also does not specify that component prices paid by the manufacturing enterprise (ME) are compared to the prices paid by the supply chain entity (SCE) using the component on behalf of the ME, and that if the component price available to the SCE is greater than the price available to the ME, then the ME requests and obtains authorization for the SCE to buy the component at the lower price available to the ME.

Examiner noted previously by Official Notice that this is a known purchasing arrangement, and applicant has requested documentation of this Official Notice. Examiner is providing an affidavit swearing that prior to 1995, she worked in an organization where intermediate suppliers were authorized to purchase components as the lower prices negotiated by her company when the intermediate suppliers used the components as part of products for her company. Specifically, her company. hereafter called "C", used large numbers of valves, pipe fittings and piping, and negotiated extremely favorable prices due to the large volume purchased. If "C" needed a supplier, hereafter called "S" to assemble modules using valves and piping, the supplier "S" would be told to purchase the valves and piping from valve/pipe seller, hereafter called "V", and "C" would send "V" a letter or purchase order or supplemental purchase order authorizing supplier "S" to purchase valves and piping at "C"'s discounted prices. In the case of examiner's first-hand knowledge per the Affidavit, the request authorization included the part number and description, price, and volume required. The specifics of the contractual agreement and recordkeeping requirements would inevitably be in any authorization letter, and the approval notification was the affirmative response.

It would have been obvious to one of ordinary skill in the art, having the

combined teachings of Harbert and DesignWin and the common knowledge

documented by examiner's Affidavit before him at the time the invention was made, to

further modify Harbert and DesignWin in view of common knowledge in the art as

evidenced by examiner's Affidavit to include allowing intermediate suppliers (SCE) to

have access to the ME's lower cost of components. One would have been motivated to

make such a combination because lower costs would have been obtained, which was

the motivatation in examiner's experience.

Johnson teaches external databases (40/50) mapped to a requisition and

inventory management system (10/20) in col 3 lines 4- col 4 line 44 and Fig. 1. Note that

Johnson col 5 lines 7-20 specifically teach that host database 20 on host computer 10

and local database 50 on local computer 40 are modified/updated in the same manner,

using distributed transaction processing to insure that the data in respective databases

are in agreement prior to execution of any transaction in the system.   Col 10 line 39 –

col 11 line 8 detail that local computer 40 and local database 50 have data shared with

the host computer 10 (col 10 lines 55-63), and specific data communication/mapping is

again taught in col 9 lines 58-65 and col 12 lines 17-67 and Figs 2A and 2B.

Johnson teaches in Fig 3 that items contained in said bill of material file, and

inherently in the external source since they are mapped, include physical attributes

including stock number, quantity, etc associated with business attributes including price

(steps 208,209,210,211). Stock numbers are considered physical attributes of

component parts in a BOM, especially considering that stock numbers are usually

designed to reflect color, material (brass, stainless, etc.).

Johnson teaches in col 3 lines 10-37, col 11 lines 26-32, col 12 lines 38-52, and

col 14 lines 48-67 that pricing algorithms are associated with component physical

attributes such as stock number. Col 11 lines 29-30 state "pricing is also performed in

this step...(sourcing)...performed on both local computer and host computer. Note that

Johnson teaches "any suitable conventional algorithm may be employed...for sourcing

and pricing items. Examiner takes official notice that price masking, component

consignment, direct rebates, and a buy off contract are conventional pricing schemes

well known in the art, and thus it would be obvious to include such schemes when

conducting e-commerce supply chain management.

Therefore, it would have been obvious to one of ordinary skill in the art, having

the combined teachings of Harbert and DesignWin and common knowledge in the art as

evidenced by examiner's Affidavit and Johnson before him at the time the invention was

made, to further modify Harbert as taught by DesignWin to include and activity tracking

of activities in a log of DesignWin, in order to obtain data to track costs and make the

quoting process more efficient and effective for the buyer, and to further modify Harbert

as taught by Johnson to include associating pricing schemes with component physical

attributes in order to maintain existing price strategies.

One would have been motivated to make such a combination because lower

costs and faster processing would have been obtained, as taught/suggested by

DesignWin in page 1 paragraphs 2-4 and Harbert page 5 paragraph 7-8. Examiner

notes that DesignWin specifically teaches that "knowing actual cost allows management

to make better, more accurate plans which control costs and strengthen sales

margins".(page 1, paragraph 4), and thus marketing costs, part of the actual costs,

would be important to include in the analysis and tracking process. One would be

motivated to maintain negotiated competitive or beneficial pricing schemes, as taught by

Johnson in col 14 lines 58-67 and pricing based upon physical attributes is well known,

as, for example, stainless steel items cost more than aluminum items and this would

need to be reflected in any pricing strategy.

FURTHER Re claims 145,148, 169, 172: Harbert in view of DesignWin and the

common knowledge documented by examiner's Affidavit and Johnson as applied above

teach all the elements except specifically processing said bill of material file including

mapping items contained in said bill of material file from said manufacturing enterprise

with items provided by external sources via said network. While Harbert page 5

paragraph 11 teaches that the components are stored on a database, Harbert is not

specific that the database is external (but obviously mapped) to the computer network.

Johnson teaches external sources (databases 40/50) mapped to a requisition

and inventory management system (10/20) in col 3 lines 4- col 4 line 44 and Fig. 1.

Although examiner considers that Johnson's local database 50 and host database 20

include an external source including a database of a manufacturing enterprise,

examiner notes that It has been held that to be entitled to weight in method claims, the

recited structure limitations therein must affect the method in a manipulative sense, and

not to amount to the mere claiming of a use of a particular structure. *Ex parte Pfeiffer,*

1962 C.D. 408 (1961), and thus the type of external source is not considered a patentable distinction.

It would have been obvious to one of ordinary skill in the art, having the combined teachings of Harbert in view of DesignWin and the common knowledge documented by examiner's Affidavit and Johnson before him at the time the invention was made, to further modify Harbert in view of DesignWin and the common knowledge documented by examiner's Affidavit as further taught by Johnson to include external sources of materials and parts that can map to the procurement system, in order to have parts information available locally "in-house" for technical information, inventory, and other standard manufacturing tasks, or even map suppliers databases to manufacturer, while allowing it to be mapped to the requisition system to avoid duplication of efforts and ensure that the systems agree. One would have been motivated to make such a combination because lower costs and faster processing would have been obtained, as taught/suggested by Johnson col 1 lines 24-50.

Re claims 146-147 and 170-171: Johnson teaches in Fig 3 that items contained in said bill of material file, and inherently in the external source since they are mapped, include: at least one component number; at least one component name; at least one component description; at least one component price; and at least one component availability. It would have been obvious to one of ordinary skill in the art, having the combined teachings of Harbert in view of DesignWin and the common knowledge documented by examiner's Affidavit and Johnson before him at the time the invention was made, to further modify Harbert in view of DesignWin and the common knowledge

documented by examiner's Affidavit to further include common identifying parameters in the bill of material as taught by Johnson, in order to ensure that the material was the part, cost and availability desired. One would have been motivated to make such a combination because the quotes must be based on the same items to be accurately compared and costed.

Re claims 149 and 173: The method of claim 11 and 39 respectively, wherein said processing said bill of material file includes automatically transmitting notifications to an administrative entity of said manufacturing enterprise via said network. The limitations have been addressed above when discussing claims 11 and 39, except the further limitation of automatically transmitting notifications to an administrative entity of said manufacturing enterprise via said network. Harbert implicitly teaches automatically transmitting notifications to an administrative entity of said manufacturing enterprise via said network, in that the items are purchased which would require administrative review of some sort. However, DesignWin explicitly teaches that the sourcing system includes notifying commodity managers to secure material in page 1 paragraph 5. It would have been obvious to one of ordinary skill in the art, having the combined teachings of Harbert in view of DesignWin and the common knowledge documented by examiner's Affidavit and Johnson before him at the time the invention was made, to further explicitly include notifying an administrative entity, such as a purchasing agent or commodity mangers, in order to ensure the data was provided to a decision maker with authority for requisitions. One would have been motivated to make such a combination because

faster processing would have been obtained, as taught/suggested by DesignWin in

page 1 paragraphs 2-4 and Harbert page 5 paragraph 7-8.

Re claims 150 and 174: Analyzing a quote inevitably includes comparing the bid

to the information in the requisition.

Re claims 151 and 175: The limitations have been addressed above except the

further limitation of OEMs, contract manufacturers, and suppliers utilizing the system.

Harbert teaches in page 5 paragraph 7-8 that OEMs, contract manufacturers, and

suppliers utilize the system. Contract manufacturers are by definition suppliers to

OEMs, and thus inherently an OEM would consider them a supply chain entity when

using the system. However, DesignWin explicitly teaches in page 1 paragraph 6 that

OEMs use DesignWin to obtain quotes from contract manufacturers. It would have

been obvious to one of ordinary skill in the art, having the combined teachings of

Harbert , Johnson, common knowledge in the art as evidenced by examiner's Affidavit

and DesignWin before him at the time the invention was made, to further modify Harbert

as taught by DesignWin to explicitly include having contract manufacturers use the

system in the role of supply entities to OEMs, in order to ensure the system's customers

reflect the supply chain. One would have been motivated to make such a combination

because contract manufacturers are the suppliers to OEMs, as taught/suggested by

DesignWin in page 1 paragraphs 1-6.

7.   Claims 145-155 and 169-179 are rejected under 35 U.S.C. 103(a) as obvious

over Harbert in view of DesignWin and HU and further in view of Johnson et al. USP

5712985.

Re claims 145, 169, and 152-155, 176-179: Harbert teaches a method of managing a supply chain page 4 paragraph 5-7 and page 5 paragraph 7 – page 8 paragraph 12) within a multi-enterprise environment via a computer network, said multi-enterprise environment including a manufacturing enterprise and at least one supply chain entity, comprising reverse auctions where suppliers bid down the price to win contracts online (web sites). Harbert teaches in page 5 paragraph 8 that a contract is put out for a bid (bid request), which has a Bill of Material (BOM), that suppliers bid on the contract on the web (Digital Exchange online trading site page 4 last paragraph, Table on pages 2-4 describing various web trading/exchange sites), a winning bid/contractor is selected (obviously the point of procurement is to select a supplier to provide the parts) and the contract is awarded (generating an award notice). Since a contractor is selected as a "winning" contractor, inevitably the costs of providing items to said entity are compared to costs available to the manufacturing enterprise, as a winning bid is always at least partially determined by its cost relative to other possible providers. That the process is based on a company's Bill of Materials is specifically noted on page 4, last line of 1st paragraph under "Going for the big bucks" and page 5 paragraphs 7-8; since the BOM is the basis of the process, specific steps obviously relate to processing the BOM. A program running on a computer inherently requires a storage medium for the management code.

However, Harbert does not specifically teach tracking selected activities in a log; and Harbert does not address associating business attributes with physical attributes of the components in the BOM.

DesignWin teaches in paragraphs 1-5 on page 1 an electronic supply chain

management system with Bills of Materials bid on in a reverse auction on the internet.

DesignWin teaches that pricing trends and probable costs can be tracked and analyzed,

thus inevitably the activities are in some type of log or record if they can be analyzed

and tracked:

Harbert also does not specify that component prices paid by the manufacturing

enterprise (ME) are compared to the prices paid by the supply chain entity (SCE) using

the component on behalf of the ME, and that if the component price available to the

SCE is greater than the price available to the ME, then the ME requests and obtains

authorization for the SCE to buy the component at the lower price available to the ME.

HU teaches in col 2 lines 21-35 that in a supply chain environment, a supplier's

(equivalent to the supply chain entity's) cost of funds (equivalent to a component cost)

may be higher than the cost of funds available to the buyer (equivalent to the

manufacturing enterprise), and that in order to provide the lower cost benefits to the

buyer, funds are made available to the supplier at the buyer's lower cost. Col 5 lines

22-40 and throughout disclose the authorization and approval process. For the request

authorization to work, inevitably it includes the part number and description, price, and

volume required. The specifics of the contractual agreement and recordkeeping

requirements would inevitably be in any authorization letter, and the approval

notification is the affirmative response.

Thus it would have been obvious to one of ordinary skill in the art, having the

teachings of Harbert and DesignWin and HU before him at the time the invention was

made, to modify Harbert as modified by DesignWin further in view of HU to include

allowing intermediate suppliers (SCE) to have access to the ME's lower cost of

components. One would have been motivated to make such a combination because

lower costs would have been obtained, as taught/suggested by HU col 2 lines 31-35.

Johnson teaches external databases (40/50) mapped to a requisition and

inventory management system (10/20) in col 3 lines 4- col 4 line 44 and Fig. 1. Note that

Johnson col 5 lines 7-20 specifically teach that host database 20 on host computer 10

and local database 50 on local computer 40 are modified/updated in the same manner,

using distributed transaction processing to insure that the data in respective databases

are in agreement prior to execution of any transaction in the system. Col 10 line 39 –

col 11 line 8 detail that local computer 40 and local database 50 have data shared with

the host computer 10 (col 10 lines 55-63), and specific data communication/mapping is

again taught in col 9 lines 58-65 and col 12 lines 17-67 and Figs 2A and 2B.

Johnson teaches in Fig 3 that items contained in said bill of material file, and

inherently in the external source since they are mapped, include physical attributes

including stock number, quantity, etc associated with business attributes including price

(steps 208,209,210,211). Stock numbers are considered physical attributes of

component parts in a BOM, especially considering that stock numbers are usually

designed to reflect color, material (brass, stainless, etc.).

Johnson teaches in col 3 lines 10-37, col 11 lines 26-32, col 12 lines 38-52, and

col 14 lines 48-67 that pricing algorithms are associated with component physical

attributes such as stock number. Col 11 lines 29-30 state "pricing is also performed in

this step... (sourcing)...performed on both local computer and host computer. Note that

Johnson teaches "any suitable conventional algorithm may be employed...for sourcing

and pricing items. Examiner takes official notice that price masking, component

consignment, direct rebates, and a buy off contract are conventional pricing schemes

well known in the art, and thus it would be obvious to include such schemes when

conducting e-commerce supply chain management.

Therefore, it would have been obvious to one of ordinary skill in the art, having

the combined teachings of Harbert and DesignWin and HU and Johnson before him at

the time the invention was made, to further modify Harbert as taught by DesignWin to

include and activity tracking of activities in a log of DesignWin, in order to obtain data to

track costs and make the quoting process more efficient and effective for the buyer, and

to further modify Harbert as taught by Johnson to include associating pricing schemes

with component physical attributes in order to maintain existing price strategies.

One would have been motivated to make such a combination because lower

costs and faster processing would have been obtained, as taught/suggested by

DesignWin in page 1 paragraphs 2-4 and Harbert page 5 paragraph 7-8. Examiner

notes that DesignWin specifically teaches that "knowing actual cost allows management

to make better, more accurate plans which control costs and strengthen sales

margins".(page 1, paragraph 4), and thus marketing costs, part of the actual costs,

would be important to include in the analysis and tracking process. One would be

motivated to maintain negotiated competitive or beneficial pricing schemes, as taught by

Johnson in col 14 lines 58-67 and pricing based upon physical attributes is well known,

as, for example, stainless steel items cost more than aluminum items and this would

need to be reflected in any pricing strategy.

FURTHER Re claims 145,148, 169, 172: Harbert in view of DesignWin and HU

and Johnson as applied above teach all the elements except specifically processing

said bill of material file including mapping items contained in said bill of material file from

said manufacturing enterprise with items provided by external sources via said network.

While Harbert page 5 paragraph 11 teaches that the components are stored on a

database, Harbert is not specific that the database is external (but obviously mapped) to

the computer network.

Johnson teaches external sources (databases 40/50) mapped to a requisition

and inventory management system (10/20) in col 3 lines 4- col 4 line 44 and Fig. 1.

Although examiner considers that Johnson's local database 50 and host database 20

include an external source including a database of a manufacturing enterprise,

examiner notes that It has been held that to be entitled to weight in method claims, the

recited structure limitations therein must affect the method in a manipulative sense, and

not to amount to the mere claiming of a use of a particular structure. *Ex parte Pfeiffer*,

1962 C.D. 408 (1961), and thus the type of external source is not considered a

patentable distinction.

It would have been obvious to one of ordinary skill in the art, having the combined teachings of Harbert in view of DesignWin and HU and Johnson before him at the time the invention was made, to further modify Harbert to include external sources of materials and parts that can map to the procurement system, in order to have parts information available locally "in-house" for technical information, inventory, and other standard manufacturing tasks, or even map suppliers databases to manufacturer, while allowing it to be mapped to the requisition system to avoid duplication of efforts and ensure that the systems agree. One would have been motivated to make such a combination because lower costs and faster processing would have been obtained, as taught/suggested by Johnson col 1 lines 24-50.

Re claims 146-147 and 170-171: Johnson teaches in Fig 3 that items contained in said bill of material file, and inherently in the external source since they are mapped, include: at least one component number; at least one component name; at least one component description; at least one component price; and at least one component availability. It would have been obvious to one of ordinary skill in the art, having the combined teachings of Harbert in view of DesignWin and HU and Johnson before him at the time the invention was made, to further modify Harbert to further include common identifying parameters in the bill of material as taught by Johnson, in order to ensure that the material was the part, cost and availability desired. One would have been motivated to make such a combination because the quotes must be based on the same items to be accurately compared and costed.

Re claims 149 and 173: The method of claim 11 and 39 respectively, wherein said processing said bill of material file includes automatically transmitting notifications to an administrative entity of said manufacturing enterprise via said network. The limitations have been addressed above when discussing claims 11 and 39, except the further limitation of automatically transmitting notifications to an administrative entity of said manufacturing enterprise via said network. Harbert implicitly teaches automatically transmitting notifications to an administrative entity of said manufacturing enterprise via said network, in that the items are purchased which would require administrative review of some sort. However, DesignWin explicitly teaches that the sourcing system includes notifying commodity managers to secure material in page 1 paragraph 5. It would have been obvious to one of ordinary skill in the art, having the combined teachings of Harbert in view of DesignWin and HU and Johnson before him at the time the invention was made, to further explicitly include notifying an administrative entity, such as a purchasing agent or commodity mangers, in order to ensure the data was provided to a decision maker with authority for requisitions. One would have been motivated to make such a combination because faster processing would have been obtained, as taught/suggested by DesignWin in page 1 paragraphs 2-4 and Harbert page 5 paragraph 7-8.

Re claims 150 and 174: Analyzing a quote inevitably includes comparing the bid to the information in the requisition.

Re claims 151 and 175: The limitations have been addressed above except the further limitation of OEMs, contract manufacturers, and suppliers utilizing the system.

Harbert teaches in page 5 paragraph 7-8 that OEMs, contract manufacturers, and

suppliers utilize the system. Contract manufacturers are by definition suppliers to

OEMs, and thus inherently an OEM would consider them a supply chain entity when

using the system. However, DesignWin explicitly teaches in page 1 paragraph 6 that

OEMs use DesignWin to obtain quotes from contract manufacturers. It would have

been obvious to one of ordinary skill in the art, having the combined teachings of

Harbert , Johnson, HU and DesignWin before him at the time the invention was made,

to further modify Harbert as taught by DesignWin to explicitly include having contract

manufacturers use the system in the role of supply entities to OEMs, in order to ensure

the system's customers reflect the supply chain. One would have been motivated to

make such a combination because contract manufacturers are the suppliers to OEMs,

as taught/suggested by DesignWin in page 1 paragraphs 1-6.

Response to Arguments

8.   Examiner is providing a separate rejection now using the Examiner's Affidavit to

document the previously taken and objected-to Official Notice. An Examiner's Affidavit

can be used to support Official Notice, because it is as instant and unquestionably

demonstrable as is a reference - examiner is swearing it to be true based on personal

first-hand knowledge, and notes that her experience includes several examples of its

well-known status in different situations.

9.   Examiner agrees that HU teaches the concept of passed-along discounts as

applied to finance charges, not tangible components, but finance charges can certainly

be considered a component of a manufacturing enterprise's expenses or, broadly,

supplies.

10.   Examiner has previously clarified how "log" is interpreted. The fact that items

can be accessed from archives inevitably teaches a log of some sort.

11.   Examiner does not understand the argument that Harbert refers to supply chain

inefficiencies as somehow teaches against the claims, examiner notes that Harbert was

published almost 18 months before applicant's invention, and during this period, no one

would argue that internet usage and acceptance grew by leaps and bounds. The fact

that Harbert expressed *some user's concerns* about internet usage does not matter.

Examiner is confident that the applicant would agree that internet usage became much

more accepted and mainstream from 1999 to 2001, without any supporting reference.

The examiner is expected to make the factual determinations set forth in

 Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966). The

examiner must articulate reasons for the examiner's decision. In re Lee, 277 F.3d 1338,

1342, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002). In particular, the examiner must show

that there is a teaching, motivation, or suggestion of a motivation to combine references

relied on as evidence of obviousness. Id. At 1343. Thus the examiner must not only

assure that the requisite findings are made, based   on evidence of record, but must

also explain the reasoning by which the findings are deemed to support the examiner's

conclusion. **A suggestion, teaching, or motivation to combine the relevant prior**

art teachings does not have to be found explicitly in the prior art, as the teaching,

motivation, or suggestion may be implicit from the prior art as a whole, rather

than expressly stated in the references. The test for an implicit showing is what

the combined teachings, knowledge of one of ordinary skill in the art, and the

nature of the problem to be solved as a whole would have suggested to those of

ordinary skill in the art. In re Kahn, 441 F.3d 977, 987, 78 USPQ2d 1329, 1336 (Fed.

Cir. 2006) citing In re Kotzab, 217 F.3d 1365, 1370, 55 USPQ2d 1313 (Fed. Cir. 2000).

See also In re Thrift, 298 F. 3d 1357, 1363, 63 USPQ2d 2002, 2008 (Fed. Cir. 2002).

These showings by the examiner are an essential part of complying with the burden of

presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445,

24 USPQ2d 1443, 1444 (Fed. Cir.1992). If that burden is met, the burden then shifts to

the applicant to overcome the prima facie case with argument and/or evidence.

Obviousness is then determined on the basis of the evidence as a whole and the

relative persuasiveness of the arguments. See Id.; In re Hedges, 783 F.2d 1038, 1039,

228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472, 223 USPQ

785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143,

147 (CCPA 1976).

Also, examiner notes that: "the benefit that the public derives from the bargain

with the inventor—disclosure of inventions that are not already known—must be

safeguarded. Thomas Jefferson expressed his concern for this bargain between the

inventor and the public when he wrote:

> *[I]f a new application of our old machines be a ground of monopoly, the patent*
> *law will take from us much more good than it will give. Perhaps it may mean*
> *another thing, that while every one has a right to the distinct and separate use of*
> *the buckets, the screw, the hopper-boy, in their old forms, the patent gives you*
> *the exclusive right to combine their uses on the same object. But if we have a*
> *right to use three things separately, I see nothing in reason, or in the patent law,*
> *which forbids our using them all together. A man has a right to use a saw, an*
> *axe, a plane, separately; may he not combine their uses on the same piece of*
> *wood? He has a right to use his knife to cut his meat, a fork to hold it; may a*
> *patentee take from him the right to combine their use on the same subject? Such*
> *a law, instead of enlarging our conveniences, as was intended, would most*
> *fearfully abridge them, and crowd us by monopolies out of the use of the things*
> *we have.*

Thomas Jefferson, *Letter to Oliver Evans (Jan 16, 1814)*, *in* 14 Writings of Thomas

Jefferson 66 (Andrew A. Lipscomb & Albert E. Bergh eds., 1903).

[The Supreme] Court in *Graham* noted that Jefferson was an enemy of

monopolies but ultimately an advocate of the patent system. 383 U.S. at 7-10. But even

at this writing in the later stages of his life, he was still greatly concerned with the

potential for obvious patents to retake what already is in the possession of the people.

[There must be] balance between inventor and the public [for the public] to get the

benefit intended by the Constitution."[2]

Conclusion

12.   **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time

policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within

---

[2] Paraphrasing Peter A. Sullivan's *Motion For Leave To File Amicus Curiae
Brief And Brief Of Cisco Systems Inc.,
Microsoft Corp., Hallmark Cards,
Incorporated, V.F. Corporation, And
Fortune Brands Inc. As Amici Curiae
In Support Of Petitioner*
No. 04-1350 IN THE
Supreme Court of the United States
KSR INTERNATIONAL CO.,
Petitioner,
v.
TELEFLEX INC. and TECHNOLOGY HOLDING CO.,
Respondents.
**On Petition for Writ of Certiorari to the
United States Court of Appeals
for the Federal Circuit**

TWO MONTHS of the mailing date of this final action and the advisory action is not

mailed until after the end of the THREE-MONTH shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any

extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later

than SIX MONTHS from the mailing date of this final action.

13.   A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within

TWO MONTHS of the mailing date of this final action and the advisory action is not

mailed until after the end of the THREE-MONTH shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any

extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later

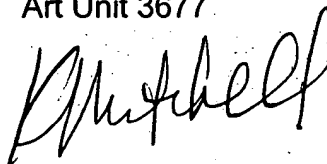than SIX MONTHS from the date of this final action.

14.   Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Katherine W. Mitchell whose telephone number is 571-

272-7069. The examiner can normally be reached on Mon - Thurs 10 AM - 8 PM.

       If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, J. J. Swann can be reached on 571-272-7075. The fax phone number for

the organization where this application or proceeding is assigned is 571-273-8300.

15.   Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

USPTO Customer Service Representative or access to the automated information

system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Katherine W Mitchell
Primary Examiner
Art Unit 3677

Kwm
1/10/2007

AFFIDAVIT

I Katherine Mitchell hereby swear and affirm that I have direct, first hand knowledge of the following:

While working as an engineer for a Fortune 500 company, which I left in 1995, I had occasion to have projects needing purchase orders for materials.

The company I worked for, hereafter referred to as "C", was a major presence in the area, and was able to negotiate favorable pricing discounts from certain suppliers due to the large volume of purchases. In particular, "C" had a substantial discount from a valve and piping distributor, hereafter referred to as "M". In addition, for certain larger projects, the scope of the job required that I hire subcontractors for additional labor and installation tasks, and this contractor is hereafter referred to as "H".

On at least one occasion, "C" needed to have numerous pipe and valve assemblies preassembled so they would be ready to install during a time-critical shutdown. "H" was contracted to prefabricate these valve and pipe assemblies to be ready to replace aging pipe and valve sections that were being upgraded. "H" was instructed to buy the piping, flanges, valves, and fittings from distributor "M", and was provided with "C"'s pricing list, specifying the price and/or discount. "M" was instructed to sell the piping, flanges, valves, and fittings to "H" for "C"'s negotiated price, as "C" was the ultimate customer. "C" did not want to have to store and distribute the materials to "H" when "H" could pick up the materials directly from "M". It was understood that any excess piping, flanges, valves, and fittings would revert to "C" at the end of the project. "H" was allowed to markup the piping, flanges, valves, and fittings that it purchased from "M" at "C"'s discount price, but this was to account for the pickup, storage and handling of the piping, flanges, valves, and fittings. I personally witnessed verbal confirmation of this arrangement.

This was not a unique situation. Other engineers routinely encountered the same situation. Also, I personally had other large piping projects, with contractor "N", who also purchased piping, flanges, valves, and fittings from "M" under the same terms, and included gaskets, seals, and bearings from distributor "B" and insulation from distributor "T".

In an unrelated example, I personally had an addition put on my home in 1997-1998. I worked with an architect, who arranged for me to meet with the supplier of upscale hardware, bathroom fixtures, etc. The architect got a 40% discount from list price on some brands and 30% on other brands, which he passed on to me. I arranged for my contractor to purchase the selected fixtures and hardware directly from the supplier, and I personally provided the supplier with the letterhead from the architect authorizing the discount. My contract with the builder explicitly required him to purchase the fixtures and hardware at the

discounted rate from the specific supplier, and no upcharge was authorized or applied. Several times during the construction, I went to the supplier to select additional items, and each time, the order referred to the architect by name to get the discount, and each time the contractor actually purchased and picked up the items I had selected. The addition was completed in 1998.

Katherine W Mitchell
Jan 10, 2007

Katherine W Mitchell

Jawana A Hawkins
notary
Commission expires 8/31/08